

19 APR 1968

## C.I.A. ONCE OUSTED KY, REPORT SHOWS

Senate Unit Studies Charge  
He Flew Opium on Mission

WASHINGTON, April 18 (AP) — A Senate subcommittee is investigating a report that the Central Intelligence Agency once removed Nguyen Cao Ky, now the Vice President of South Vietnam, as the commanding officer of a secret sabotage operation because he had used it as a front for opium smuggling.

The report was made available by the Senate Subcommittee on Foreign Aid Expenditures, headed by Senator Ernest Gruening, Democrat of Alaska.

Joseph Lippman, staff director of the subcommittee, said that the report was considered highly reliable, but he refused to identify its source.

The 1963-64 sabotage operation, called Operation Haylift, "was flying Vietnam agents in-



Associated Press

Nguyen Cao Ky

to North Vietnam for the purpose of sabotage such as blowing up railroads and bridges," the report said.

"When the program first began the C.I.A. engaged Vietnam air crews and their commanding officer was Col. Nguyen Ky, who is now Vice President of South Vietnam.

### Chinese Pilots Used

"To make a long story short, Colonel Ky took advantage of this situation to fly opium from Lao to Saigon. Of course the C.I.A. removed Colonel Ky and his flight crew and they were replaced by Chinese Air Force pilots from Formosa. Also, the Vietnam ground crew was replaced by Chinese mechanics."

The missions were flown from Saigon's Tansonnhut Air Base, the report said. At least one of the aircraft used, a C-123 belonged to the United States Air Force, it said. Another plane used was a C-54, but the report did not say whether it belonged to the Air Force.

"In the latter part of 1963, the C-54 aircraft which had been used for Operation Haylift crashed some 90 miles south of Hanoi while returning from one of its missions," the report said. "All Chinese crew members on board were killed.

"After the C-54 crashed, the C.I.A. used C-123 aircraft on these missions with the United States Air Force markings painted out. The serial number of the C-54 was XV-NUF."

The author of the report said that he was sent to Vietnam in March, 1962, by an American aviation company as an inspector and adviser to the maintenance crews. His report was made available by Senator Gruening's subcommittee with the stipulation that the name of the company not be used.

The company, the report said, "of course was a fictitious company set up by the C.I.A. and an airline operating from Saigon's Tansonnhut air field as a blind for a program called Operation Haylift."

### A Few Identified

Mr. Lippman said that his investigators had confirmed that the airline named in the report was flying out of Tansonnhut at the time Operation Haylift was alleged to have been in progress.

"The C.I.A. men connected with this program were as follows: William Colby, who was later replaced by a John Richardson and also a Hank Shore. Air Force officers involved were Col. Albert Blizard, Major Heck and a Captain Baines. All of these men worked out of the United States Embassy."

The report said that Mr. Colby was now with the State Department's Southeast Asia desk. Sources at the State Department confirmed that a William Colby works for the South Vietnam desk and said that he

Colonel Ky was named by the Ngo Dinh Diem Government in 1956 as the commander of the Saigon Airport. A month after that Government was overthrown in 1963, Colonel Ky was named commander of the rapidly growing Vietnamese Air Force.

He retained that command until 1965, when he became the Premier of his country, succeeding a civilian, Dr. Phan Huy Quat.

Last September, he was elected Vice President on a ticket with President Nguyen Van Thieu.

A spokesman for the agency said, "We never comment on these things."

The Defense Department also declined to comment.

"We would never have any comment regarding the head of state of a foreign country," a spokesman said.